

10/00

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

LUNE D'OR ENTERPRISES, LLC
SPECIAL-PURPOSE FINANCIAL STATEMENTS
For the year ended December 31, 2006
with
Report of Independent Auditors

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/24/08



**NOVOGRADAC
& COMPANY** LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

To the Members of
Lune d'Or Enterprises, LLC:

We have audited the accompanying special-purpose statement of assets and liabilities of Lune d'Or Enterprises, LLC as of December 31, 2006, and the related special-purpose statements of revenues and expenses, changes in member's capital, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the special-purpose of internal analysis and reporting by the management of the Housing Authority of New Orleans, Louisiana, as discussed in Note 2, and are not intended to be a complete presentation of the financial statements of Lune d'Or Enterprises, LLC in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of Lune d'Or Enterprises, LLC as of December 31, 2006, and the results of its activities and cash flows for the year then ended, on the basis of accounting described in Note 2.

This report is intended solely for the information and use of the board of directors and management of Lune d'Or Enterprises, LLC and is not intended to be and should not be used by anyone other than these specified parties.

Novogradac & Company LLP

April 7, 2008

LUNE D'OR ENTERPRISES, LLC
SPECIAL-PURPOSE STATEMENT OF ASSETS AND LIABILITIES
December 31, 2006

ASSETS

Capital contribution receivable	\$ 100
Management fees receivable	<u>105,900</u>
Total assets	<u><u>\$ 106,000</u></u>

LIABILITIES AND MEMBER'S CAPITAL

Liabilities	
Investment obligations	<u>\$ 464</u>
Member's capital	<u>105,536</u>
Total liabilities and member's capital	<u><u>\$ 106,000</u></u>

see accompanying notes to special-purpose financial statements and report of independent auditors

LUNE D'OR ENTERPRISES, LLC
SPECIAL-PURPOSE STATEMENT OF REVENUES AND EXPENSES
For the year ended December 31, 2006

REVENUE

Management fees	\$ 52,950
Investment income	<u>594</u>
Net income	<u>\$ 53,544</u>

see accompanying notes to special-purpose financial statements and report of independent auditors

LUNE D'OR ENTERPRISES, LLC
SPECIAL-PURPOSE STATEMENT OF CHANGES IN MEMBER'S CAPITAL
For the year ended December 31, 2006

BALANCE, JANUARY 1, 2006	\$ 51,992
Net income	<u>53,544</u>
BALANCE, DECEMBER 31, 2006	<u>\$ 105,536</u>

see accompanying notes to special-purpose financial statements and report of independent auditors

LUNE D'OR ENTERPRISES, LLC
SPECIAL-PURPOSE STATEMENT OF CASH FLOWS
For the year ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 53,544
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase in management fees receivable	(52,950)
Decrease in investment obligations	(594)
Net cash provided by operating activities	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ -</u></u>

see accompanying notes to special-purpose financial statements an report of independent auditors

LUNE D'OR ENTERPRISES, LLC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
December 31, 2006

1. General

Lune d'Or Enterprises, LLC (the "Company"), a Louisiana limited liability company, was formed in March 2004. The Company was organized to acquire, finance, redevelop, rehabilitate and construct affordable housing as a for-profit subsidiary on behalf of Crescent Affordable Housing Corporation, the sole member (the "Member").

Pursuant to the Company's operating agreement, the Member is required to provide capital contributions to the Company totaling \$100. As of December 31, 2006, the Company has a capital contribution receivable in the amount of \$100 due from the Member.

The Company serves as the managing member of Guste I, LLC, a Louisiana limited liability company formed in December 2003 to construct, develop and operate an 82-unit apartment project, known as Guste I Apartments in New Orleans, Louisiana. The project is rented to low-income tenants and is operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of Guste I, LLC.

The Company serves as the managing member of Fischer III, LLC, a Louisiana limited liability company formed in December 2003 to construct, develop and operate a 103-unit apartment project, known as Fischer III Apartments in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of Fischer III, LLC.

The Company serves as the managing member of Fischer I, LLC, a Louisiana limited liability company formed in March 2004 to construct, develop and operate a 20-unit apartment project, known as Fischer I Apartments in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of Fischer I, LLC.

The Company serves as the managing member of Florida II-A, LLC, a Louisiana limited liability company formed in March, 2004 to construct, develop, and operate a 168-unit apartment project, known as Florida II-A Apartments in New Orleans, Louisiana. During construction of the project, the grading of the land, building, and personal property were destroyed by Hurricane Katrina. The management of Florida II-A has not determined whether or not to continue their business purpose as of December 31, 2006. The Company owns 0.01% of Florida II-A, LLC.

LUNE D'OR ENTERPRISES, LLC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
December 31, 2006

1. General (continued)

The Company serves as the managing member of General Ogden, LLC, a Louisiana limited liability company formed in February 2005 to construct, develop and operate a 22-unit apartment project, known as General Ogden in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of General Ogden, LLC.

The Company serves as the managing member of Fischer IV-3, LLC, a Louisiana limited liability company formed in April 2006 to construct, develop and operate a 26-unit apartment project, known as Fischer IV-3 in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of Fischer IV-3, LLC.

The Company serves as the managing member of CJ Peete I, LLC, a Louisiana limited liability company formed in April 2006 to construct, develop and operate a 50-unit apartment project, known as CJ Peete I in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of CJ Peete I, LLC.

The Company serves as the managing member of Tchoupitoulas, LLC, a Louisiana limited liability company formed in April 2006 to construct, develop and operate an 18-unit apartment project, known as Tchoupitoulas in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of Tchoupitoulas, LLC.

The Company serves as the managing member of Guste II-B, LLC, a Louisiana limited liability company formed in April 2006 to construct, develop and operate a 52-unit apartment project, known as Guste II-B in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of Guste II-B, LLC.

LUNE D'OR ENTERPRISES, LLC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
December 31, 2006

1. General (continued)

The Company serves as the managing member of Imperial I, LLC, a Louisiana limited liability company formed in April 2006 to construct, develop and operate a 26-unit apartment project, known as Imperial I in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of Imperial I, LLC.

The Company serves as the managing member of Mazant Royal, LLC, a Louisiana limited liability company formed in May 2006 to construct, develop and operate an 18-unit apartment project, known as Mazant Royal in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of Mazant Royal, LLC.

The Company serves as the managing member of Imperial II, LLC, a Louisiana limited liability company formed in May 2006 to construct, develop and operate a 24-unit apartment project, known as Imperial Drive II in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of Imperial Drive II, LLC.

The Company serves as the managing member of B.W. Cooper I, LLC, a Louisiana limited liability company formed in October 2006 to construct, develop and operate a 410-unit apartment project, known as B.W. Cooper I in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of B.W. Cooper I, LLC.

The Company serves as the managing member of St. Bernard I, LLC, a Louisiana limited liability company formed in October 2006 to construct, develop and operate a 465-unit apartment project, known as St. Bernard I in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of St. Bernard I, LLC.

LUNE D'OR ENTERPRISES, LLC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
December 31, 2006

1. General (continued)

The Company serves as the managing member of CJ Peete III, LLC, a Louisiana limited liability company formed in October 2006 to construct, develop and operate a 410-unit apartment project, known as CJ Peete III in New Orleans, Louisiana. The project is to be rented to low-income tenants and is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The Company owns 0.01% of CJ Peete III, LLC.

2. Summary of significant accounting policies and nature of operations

Basis of presentation

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America, except where modified as discussed below.

The management of the Authority requires a basis of presentation, that is not in accordance with generally accepted accounting principles, for the special purpose of internal analysis and reporting that reflects the equity method of accounting for Company investments; therefore, the financial statements of the Company do not include the consolidation of the investments in companies.

Income taxes

Income taxes on Company income are levied on the Member in its individual capacity. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

Accounts receivable

An allowance for bad debts is not maintained. Accounts are written off when they are determined to be uncollectible. Generally, an allowance for uncollectible accounts is maintained in lieu of the direct charge-off method; however, use of the allowance method would be immaterial with respect to the financial statements taken as a whole.

Revenue recognition

Revenue attributable to management fees is recorded when due from companies owning the projects, generally in accordance with the respective management agreement. Any management fees remaining unpaid are anticipated to be repaid by additional capital contributed from the investor members of the respective companies and cash flows from operations.

LUNE D'OR ENTERPRISES, LLC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
December 31, 2006

2. Summary of significant accounting policies and nature of operations (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Related party transactions

Economic concentrations

The Company is the managing member for fifteen projects located in New Orleans, Louisiana. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

Management fees

During 2006, the Company earned management fees for services provided to certain investee companies as follows:

Guste I, LLC	\$ 12,300
Florida II-A, LLC	25,200
Fischer III, LLC	<u>15,450</u>
Total	<u>\$ 52,950</u>

As of December 31, 2006, management fees receivable was \$105,900.

Investments in companies

The Company serves as the managing member for Fischer I, LLC, Guste I, LLC, Florida II-A, LLC, and Fischer III, LLC. For these special-purpose financial statements, the Company uses the equity method to account for its investments in each of the companies. Negative investments are reported as liabilities and are included in "Investment obligations" in the accompanying special-purpose statement of assets and liabilities. The carrying amount of the investment obligations in companies as of December 31, 2006 is as follows:

Fischer I, LLC	\$ 33
Guste I, LLC	8
Florida II-A, LLC	413
Fischer III, LLC	<u>10</u>
Total	<u>\$ 464</u>

LUNE D'OR ENTERPRISES, LLC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
December 31, 2006

3. Related party transactions (continued)

The Company also serves as the managing member for General Ogden, LLC, Fischer IV-3, LLC, CJ Peete I, LLC, Tchoupitoulas, LLC, Guste II-B, LLC, Imperial I, LLC, Mazant Royal, LLC, Imperial Drive II, LLC, B.W. Cooper I, LLC, St. Bernard I, LLC and CJ Peete III, LLC, which did not have any activity to report as of and for the year ended December 31, 2006.

Commitments and contingencies

Pursuant to the operating agreements of the related party LLC's where Lune d'Or Enterprises, LLC is the managing member, the Company is obligated to purchase the interest of the investor member if certain events occur, specified in the agreement. As of December 31, 2006, the Company has not been required to fulfill this obligation.